GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1724
ANSWERED ON:14.03.2002
DISMANTLING OF APM IN PETROLEUM SECTOR
CHANDRAKANT BHAURAO KHAIRE;DR. KIRIT SOMAIYA;JAGMEET SINGH BRAR;MAHBOOB ZAHEDI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have assessed the impact on common man of the dismantling of APM on petroleum products;

(b) if so, the results thereof;

(c) if not, the reasons therefor before arriving at the decision to dismantle APM; and

(d) the extent to which subsidy on LPG and kerosene is proposed to be withdrawn?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): The decision to dismantle the Administered Pricing Mechanism (APM) for petroleum products with effect from 1st April 2002 is as per the Government resolution of November 1997. With the dismantling of APM the pricing of petrol and diesel will become market-determined, but the Government will continue to provide subsidy on PDS Kerosene and domestic LPG. The price of domestic LPG has been raised by about Rs.40 per cylinder and of PDS kerosene by about Rs.1.50 per litre with effect from 1st March 2002.